

Message Text

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PAGE 01 MANILA 12807 170215Z

ACTION AGRE-00

INFO OCT-01 EA-07 ISO-00 EB-08 COME-00 AID-05 TRSE-00

FRB-03 CIAE-00 INR-07 NSAE-00 IGA-02 /033 W

-----059916 170219Z /733

R 170042Z AUG 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 3815

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PASS USDA/BULLION, PPD, PL 480 PROGRAMS, OGSM

E.O. 11652: N/A

TAGS: EAID, EAGR, RP

SUBJECT: DBP DOWN PAYMENT REQUIREMENT FOR PL 480 TOBACCO

TOFAS 126. 1. IN RECENT DISCUSSIONS WITH THE TRADE, ACTING AGATTACHE HAS LEARNED THAT FORTUNE TOBACCO, LARGEST LOCAL TOBACCO MANUFACTURER, PREFERS PURCHASING U.S. TOBACCO UNDER THE CCC PROGRAM RATHER THEN UNDER THE PL 480 PROGRAM. ONE OF THE MAIN REASONS IS THAT DBP REQUIRES A 10 PERCENT DOWN PAYMENT WHICH IS NOT REQUIRED UNDER CCC FINANCED PURCHASES.

2. IN ADDITION TO THE 10 PERCENT DOWN PAYMENT, DBP IS REQUIRING IMPORTERS PAY AN ADDITIONAL 6 PERCENT DOWN ACCORDING TO THE FOLLOWING BREAKDOWN:

(1) DOWN PAYMENT BASED ON FAS OR FOB VALUE 10.00 PERCENT

(2) COST OF MONEY TO THE GOVERNMENT TO BE PLACED BY DBP IN A SAVINGS ACCOUNT OF THE NATIONAL GOVERNMENT, BASED ON 90 PERCENT OF THE FAS/FOB VALUE 1.50 PERCENT

(3) DBP GUARANTEE FEE (BASED ON 90 PERCENT LIMITED OFFICIAL USE

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PAGE 02 MANILA 12807 170215Z

OF IMPORT VALUE) ,3 3.00 PERCENT

(4) FOREIGN BANK CHARGES ON L/C 1.50 PERCENT
TOTAL 16.00 PERCENT

3. THE 10 PERCENT DOWN PAYMENT IS UNDERSTANDABLE BUT AN ADDITIONAL 6 PERCENT ON A SIX-MONTH LOAN SEEMS UNREASONABLE SINCE

THE INTEREST RATE IN THE AGREEMENT IS 3 PERCENT/ANNUM. AS IN
THE CCC PROGRAM, DBP IS USING U.S. GOVERNMENT FINANCING
AS AN INCOME SOURCE WHICH IS DISCOURAGING LOCAL IMPORTERS
FROM PURCHASING PL 480 TOBACCO. ONE LARGE IMPORTER PLANS TO
DELAY SHIPMENT UNDER PL 480 HOPING THAT A NEW FY 1978 CCC
LINE OF CREDIT WILL BE ANNOUNCED.
STULL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOBACCO, TRADE, PL 480, IMPORT PRICES, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA12807
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770296-0072
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770853/aaaabsuv.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:38:59 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:03 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 51276b59-c288-dd11-92da-001cc4696bcc
Office: ACTION AGRE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1578387
Secure: OPEN
Status: NATIVE
Subject: DBP DOWN PAYMENT REQUIREMENT FOR PL 480 TOBACCO TOFAS 126. 1. IN RECENT DISCUSSIONS WITH THE TRADE, ACTING AGATTACHE HAS LEARNED THAT FORTUNE TOBACC O, LARGES
TAGS: EAID, EAGR, RP
To: STATE
Type: TE
vdkgvwkey: odbcc://SAS/SAS.dbo.SAS_Docs/51276b59-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

